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A
LETTER,

ON THE

PRESENT SYSTEM OF LEGISLATION WHICH
REGULATES INTERNAL INTERCOURSE
IN GREAT BRITAIN;

WITH

STRICTURES ON THE NEW PRINCIPLES RAPIDLY
BEING INTRODUCED IN THIS DEPARTMENT OF

British Policy.

BY

T. GRAHAME, ESQ.

ADDRESSED TO

W. D. GILLON, ESQ.

M.P.

WESTMINSTER:

YACHER & SON, 20, PARLIAMENT STREET.

1836.

PREFACE.

The annexed letter was written, not with the intention of publication, but merely in answer to certain inquiries on the part of Mr. Gillon, M.P., as to the statements contained in various publications by the writer on the subject of Internal Intercourse.

It is now printed, with the addition of the notes and of one or two alterations, in order to make it perfectly intelligible to parties who have not seen the publications which gave rise to Mr. Gillon's inquiries.

The various questions now in agitation, as to an alteration of the Turnpike Road Legislation?—as to the policy of incorporating Joint Stock Companies for the purpose of trading?—the propriety of permitting the formation of two or three improved communications in different lines, and accommodating different parts of the country, to be constructed between the same extreme points?—the justice of giving to the incorporated proprietors of these improved routes a monopoly (in whatever way it may be effected) of their use? and the wisdom of rescinding established enactments, protective of the public and of individual enter-

prise, in favor of those new corporations ? are all questions of most serious import.

In whatever way these questions may be determined, it is most desirable that the same general principles of legislation should obtain in all the routes of this country, and it is in the hope of attaining this object that the annexed letter has been printed.

T. G.

London, March 5, 1839.

NANTES, FEBRUARY 11th, 1836.

DEAR SIR,

I HAVE your letter of the 28th of January, and am glad to find that my publications have drawn your attention to a matter which I consider as of very deep importance to the prosperity of our country. It is one to which I have given a good deal of attention, and I am at present engaged in collecting materials for the second part* of my treatise on inland intercourse and communication in which I intend to make some proposals for the correction of the abuses which now exist in this part of our British internal policy. Of course your proposed parliamentary enquiry may supersede the whole, or a portion of the labour in which I have been engaged, but it will, I trust, sooner effect the object I have in view, an amelioration of the legislative policy which regulates our present system of internal intercourse.

The evils which you are desirous to correct arise out of radical vices in this branch of our legislation, and nothing short of an entire change can effect a complete cure of these evils.

In the regulation of this most important branch of internal policy two very different systems are pursued. I have designated these in my treatise before referred to as "The trustee and commissioner system" and "The joint stock or corporation system," and by these names I shall continue to designate them in this letter.

* The first part was published in 1834, by Longman, Rees, Orm and Brown, London.

Of these two systems the one applied to turnpike roads, and generally to river navigations, viz. the trustee and commissioner system, is the least exceptionable. No one, however, who is acquainted with the mismanagement, jobbing, sacrifices of public to private interest, oppression and absolute robbery, practised by the gentlemen placed in the management of these trusts, but must wonder that the system has been continued so long. It will be invariably found that these abuses take their rise in the limited and comparatively private organization of the road and river trusts, the total absence of general control and superintendence and the sacrifice of public and general to private or local interests. To exert themselves regularly in the protection of the public and general interests against the incroachments of private and local interest, and to give like aid in subjecting these latter interests to that of the public, is what no set of purely local trustees or commissioners irresponsible to the public will attempt, and circumstanced as these gentlemen generally are, it is not to be expected they should do so.

As to the second, or *joint stock and corporation system*, that applied to canals and railways, it is a constant struggle between the private interests of the incorporations and those of the public; and here as in all such cases the public are the great losers, and are frequently induced to give special privileges to and aid private adventurers in schemes absolutely prejudicial to the community.

Great as are the faults of the British trustee and commissioner system of policy, it is excellent as compared with the joint stock or corporation system. The turnpike road and river trustees or commissioners are at least kept within the reach of legislative control; this is shown by the amendments and corrections occasionally introduced into this system by general turnpike acts, &c. The road and river trustees like the old corporators are nominally only the managers or administrators of public property, and the great error in the system consists in the bad and limited selection of the irresponsible managers of these petty corporate trusts, which prevents all general superintendence and connection, and permits a constant attempt among the managers to throw their own legitimate burdens on their neighbours. How repeatedly do we see the incorporated managers of a British road or river

acting and conducting matters as if that road or river was the private property of their petty locality, and not that of the country at large.* As however every thing is done in the name of and nominally for behoof of the public, when abuses attain a certain height the legislature can and does interfere, and a reform takes place.

The reform of the canal and railway system from the greater viciousness of the policy under which it has been founded, is a matter attended with more difficulty. Here the first step must be an interference with private property, and the rights (very bad and improper they may be) which have been conferred by the Legislature on individuals. As these undertakings are all classed under the name of "Public," and are moreover considered as highly beneficial to the public, the difficulty is increased. So far however from being "Public undertakings," they are essentially private in their nature, and their interests are in every case opposed to that of the public. Had they been public undertakings, reform would have been easy. No undertaking can be *called public*, over which the *public have no control*, and in the success of which the public have no interest. Now a canal or railway may be a most successful speculation, and yet the public may derive little comparative benefit from such success. Undoubtedly the first success of these undertakings is participated in by the public, but none other.

* This conduct is not merely the result of the private interests of the trustees and their limited selection as in the case of turnpike roads where a landed qualification is the constituent of a district trustee. The vice is equally displayed in cases where the trustees are elected from all classes, and many most flagrant instances might be cited of gross abuses practised by the local magistrates of towns in the management of general trusts, both before and since the reformation of the corporations. How else can we account for the conduct of the Trustees of a great river navigation giving £6000 of the river revenue to aid in building a bridge, for the accommodation of the town of which they were magistrates, and expending the river revenues in a vexatious opposition to the improvement of an adjacent river, lest the improvement might effect the town of which they were citizens. Such examples are any thing but singular. The evil can only be cured by establishing some general check on the conduct of locally interested trustees.

Supposing a canal or railway to be burdened with a debt of £100,000 or £200,000, and that the current rate of interest falls from five to three per cent, giving thus a saving of from £2000 to £4000 a year to the company, all this sum is pocketed by the proprietors either as a dividend, or as a payment in extinction of their debt. On a turnpike trust (a really public undertaking) this does not happen, the surplus revenue so obtained is either given to the public at once in an immediate reduction of toll or applied so as to secure the reduction at a future period.

In like manner any improvement which would reduce the annual expenditure of a canal or railway on the one hand or of a turnpike road on the other, is of very different importance to the public. In the case of a canal or railway the whole advantage goes to the private company by increasing their divisible profits; while the benefit of diminution of one half or one third of the annual cost of the maintenance of a turnpike road goes directly into the pockets of the public in an equivalent diminution of the tolls. The public are in fact, the real co-partners in all the turnpike roads of Britain.

Observe how very differently these undertakings are treated by the legislature, or rather how the public interests of the one are postponed, and indeed sacrificed to the private interests of the other. One would naturally suppose that in the disposal of *public money*, none would be given to *private undertakings*, till the necessities of the *public undertakings* were supplied: what an advantage it would be to the public if the legislature had authorized the Government to interpose its security, and to borrow money at the low rate of interest, such security commands, and to advance the same to the turnpike trusts at an equally low rate. This would have produced between £100,000, and £200,000 a year saving to these roads, applicable to reduction of the tolls and improvement of these public communications. The benefits of the measure would have been beneficially felt even by the road trusts which could not give the requisite security. In fact, no *public money* should ever be advanced to a *private undertaking* until all the *really public undertakings* which are solvent, or can give security, are supplied with funds at the lowest rate of interest.

This apparently most just principle is entirely thrown aside in the disposal of the public money, or rather a directly opposite principle is in many cases acted on. As an example, a loan of no less a sum than £100,000 of money belonging to the community was made by Government to the Liverpool Railway Company at the reduced interest of $3\frac{1}{2}$ per cent, at the very period when from the panic raised among the turnpike road creditors, by the formation of this railway, turnpike road trustees were obliged to pay 5 per cent interest on their borrowed money.

The injustice and impolicy of the measure is obvious; but it is rendered still more striking when we consider, that on the one hand the Liverpool Railway is not only a purely *private undertaking*, but that the traffic on it is an absolute *monopoly* closed against competition and the public. The Railway Company are the sole coachmasters and carriers on their own road, and paid not one farthing of tax on their coaching establishment to that community, who lent them the £100,000 already mentioned*. On the other hand the rival turnpike roads were *public property*, open in the broadest sense to competition—and the turnpike road coachmasters paid high and oppressive duties and taxes to that very community, who were advancing capital at a reduced interest to their untaxed rivals. I may ask you, if this is not like an act of national “*Felo de se*?” The injustice to the community is only equalled by the greater injustice done to the turnpike road coachmasters, and indeed to every inhabitant on the line of turnpike road, connecting Liverpool and Manchester.

* About three years ago (the mileage tax or duty) levied on the turnpike road coachmaster was imposed on the railway coachmaster, *nominally, to the extent of one half*. By the difference of the principles under which this tax is leviable from the railway coachmaster, the amount he pays for mileage duty is not more than one sixth of the sum levied on a turnpike road coachmaster. The railway coachmaster pays this lower duty only on passengers actually carried, the road coachmaster pays the duty on the number of seats in his coach; the duty is the same whether the turnpike coach be full or empty. From the license duty and all other taxes, railway coaches are still exempted.

The fair course would have been, for the Government at once to have relieved the whole roads, connecting Liverpool and Manchester, of all taxation bearing on travelling and travellers, and to have advanced to the road trusts, the amount of the debts on these trusts, at the lowest rate of interest. This would have been merely a just support of a *public* undertaking, one over which the public had a control, and in which the community were the shareholders. An undertaking which did not restrict and monopolize trade, but which was opened to the unrestricted competition of every individual possessed of capital and enterprize.

One of the most baneful effects of any evil principle introduced into the policy of any country, is its tendency to increase and extend itself. In turnpike roads and canals the oldest modes of inland communication, the abuses arising out of the bad policy of their constitution had got to a great height; but latterly, by means of general turnpike acts, in the case of roads, attempts have been made to cure these evils. By these Acts of Parliament, the *position* of turnpike gates; the allocation of the tolls leviable at these gates were fixed, and the unjust and uncontrolled powers formerly given to road trustees, on these points, were abrogated. A right to cross turnpike roads, and to pass along a certain length of these roads, was given to the public free of toll; old and abused powers to give an exemption of toll in whole or in part, were taken from the trustees. These enactments were made to secure the public from the oppressions practised on them by the individuals in the management of the road trusts, who naturally endeavoured to favor the interests of the locality in which they resided, or of that particular portion of the locality, which was represented by themselves at the expense of the adjacent localities, or of the unrepresented portion of their own locality.

In like manner clauses to the same effect were, till within these few years, being introduced into the original railway acts, and each year saw an increase in the number and strictness of these clauses. These alterations, though merely palliative, are entirely thrown aside by the *new railway policy*. Formerly clauses were inserted in all the Acts of *Incorporation of Canal and Railway Companies*, to secure the free

and unrestricted use of these undertakings to the public, and to prevent, as far as possible, the monopolizing and injurious effects necessarily arising from the *interference of the Canal and Railway Corporations, as traders in their own undertaking*.^{*} Now, *such trading is specially legalized*; and on all new railways, the shareholders are specially incorporated for this purpose, and are armed with powers sufficient to enable them at once to exclude all competition. In fact, it is from the profits to be taken from tradesmen that the dividends on these companies are to be paid. These new provisions render the routes on which they prevail, not *merely private undertakings*, but *pure monopolies*; for it is quite evident, that no independent tradesman can cope with a company, armed with such powers, and to whom he pays heavy tolls, to be applied in support of a rival trading establishment. While in the older railway acts, the proprietors are only entitled to levy tonnages in proportion to the use taken of their railway, modified by the declaration, that the payment shall never be less than for half a mile, or in some cases a mile; in many of the new railways this distance is increased to six miles; and a party using the railway for two hundred yards, must pay the same tonnage as if he had passed six miles along it.[†]

On the Liverpool Railway the tonnage on coal is 1d. per ton per mile, but no coal is allowed to enter on the railway which pays for less

^{*} These restrictions are still continued and inserted in all Canal Acts of incorporation. On what particular principle this distinction is made, it would be difficult to say.

[†] The attempt to nourish or create a sickly trade by exemptions is one of the worst features of the "Joint Stock or Corporation system." What can be thought of the policy which permits the charges on a railway to be regulated, not by the *use taken of the railway*, but by the *markets* to which the articles sent along it are *destined*, and which authorizes the railway company to make a difference of 125 per cent. on the charge of the same article going the same distance along the road dependent on the destination of that article after it quits the railway. This most hurtful and abusive system has been put an end to on turnpike roads by the direct interference of the Legislature. While railway companies continue to be carriers and sellers of locomotive power on their railways, I doubt if this abuse can be prevented by the most careful provisions introduced into a general Railway Act.

than twelve miles. In your estate of Wallhouse, you possess, I believe, extensive lime quarries. Let us suppose that the great market for your lime was at a town or port, two miles from the quarries, and that the revenue from this traffic was considerable, would you, or any impartial person, consider it just, for a Railway Company to force a railway through your estate, extending from this very port or town to lime quarries, situated ten miles farther off than yours, and then to charge the tenant in your lime works the same tolls for the use of the two miles of railway which were charged to the tenants in the more distant lime quarries for the passage of the whole length of twelve miles.

These, however, are only a small part of the abuses springing out of a radically vicious policy, and which can only be amended by an entire change of system. If further examples are wanted, they can be had to any extent*

In a general point of view, the policy of placing what have been, with much propriety, denominated the arteries of the country, under the entire control of a petty and irresponsible portion of private citizens, who represent no one, and look to nothing but their own private interests, is most objectionable. To give to such parties, because they are incorporated, a right to interfere with private property, I cannot help regarding as unjust, and a breach of the social compact. The right of interference with individual property is vested in the community alone, and is to be exercised by and for the benefit of the community only. The allegations,—that by the policy now pursued, public benefits are attained at private risk,—is most fallacious. However arranged, in the end the public are always and obviously the losers. Look to the City of London and its Water Companies.

* While Parliament confers these most anomalous powers on railways, the same privileges are refused to canals, as if the policy which should regulate Canal Legislation was different from that which should regulate Railway Legislation. The proprietors of both or of neither should be incorporated as traders on their respective routes.

Matters affecting the public interest, and which require an interference with private property, should, where there is a proper representative Government, be under the management of responsible officers, appointed by the public.

You were a member of the committee on the bill for conjoining the two Glasgow Water Companies. The great expenditure incurred in the two last years by the Citizens of Glasgow, as members of the general corporation of the city, and of the less extended corporations of the Water Companies, was entirely occasioned by an original deviation from this good policy. It was the decided interest of all the parties that the two Water Companies should be united, and the expenditure of a double management saved.* To suppose that the Water Companies could be forced or would voluntarily continue a foolish and ruinous competition is absurd. In fact, they had long ago followed the example of the London Companies and coalesced, yet the funds of the inhabitants of Glasgow are yearly expended to prevent a measure of acknowledged economy in the fear of a result which has already taken place, a cessation of competition. The benefits of competition where the competitor on entering the lists must stake many hundreds of thousands or millions of pounds is not to be obtained by means of independent corporations seeking private gain, nor is it desirable by the friends of freedom and good Government that it should be so obtained.

The principles being adopted in the incorporations of the various Railway Companies now in progress, whereby they are incorporated not *merely* for the purpose of *forming a road*, but as *tradesmen* for the purpose of following the *business of carriers and coachmasters* on

* Two water companies had been incorporated in Glasgow for the supply of the town with water. As usual the competition between the companies ended in a combination, and the arrangement of a joint tariff of charges. To save the expence of a double management it was proposed to conjoin the concerns, but this measure was opposed by the citizens in the vain hope of a renewed competition. A similar combination I understand lately existed between the *Liverpool and Manchester Railway Company*, and the water routes connecting *these towns*.

that road, I look on as of the most baneful tendency not only to the mercantile but the political interests of the country. It is merely a creation of a parcel of trading aristocracies, the worst and most narrow minded aristocracy in the world. The baneful results of these new principles introduced into railway legislation will be felt, I am afraid, when a cure is impossible. The sooner the subject is considered the better. The principle of incorporating trading companies must either be extended to all the communications of the country,—to roads, rivers, and canals, as well as railways, or it must be refused to all.* The system once established and in operation, remedies will be almost impracticable from the overwhelming influence concentrated in a body of immense trading incorporations, all interested with their dependents in opposing a change, and so constituted that they can easily bring this mighty influence to bear on any one point.

I do not know whether you have ever given any attention to the American Bank question. The whole dispute and the mischiefs which ensued, originated (as appears to me) in the very mistaken policy of the American Government in *incorporating an independent trading corporation with exclusive privileges*, the very vice last ingrafted on the policy which regulates our British system of internal intercourse.

Whatever may be thought of the method pursued by the American President, General Jackson, in putting an end to that institution, the

* There are at present no less than five great Steam Navigation Companies who seek to be incorporated by parliament as carriers of goods and passengers between various points of Great Britain. The applications of these parties are opposed, on the ground of the impolicy of incorporating trading companies. Can parliament refuse to incorporate these companies and to grant them the same privileges and immunities which they have conferred on the railway shareholder? Can Parliament refuse those privileges to a company who carry goods and passengers to Exeter, Hull Dover, &c. in steam vessels which they have conferred on companies which do the same thing by means of locomotive engines and waggons? certainly not. The privileges sought by the Steam Navigation Companies give them no power to monopolize the highway of the sea and to prohibit competition. The same privilege when conferred on the proprietors of a railway or canal is virtually the creation of a perfect monopoly.

principle he acted on was undoubtedly correct, and if adhered to hereafter will greatly benefit America.* No set of individuals should, because they associate in pursuit of gain in a trading speculation, obtain from the Government a single privilege which each and all of these individuals does not possess when he enters on that pursuit alone and unaided.

To place what are universally acknowledged as the main channels of the agricultural and commercial prosperity of a great country and its inhabitants under the uncontrolled management of a petty and irresponsible faction of these inhabitants, and at the same time to give to this petty portion of citizens, the right and the power to monopolize the use of these channels appears to be the *perfection of error in political economy*.

The bank question in America was justly viewed by the Americans as an important political question. The aristocratical party were all on the one side, that of privilege and monopoly; the democratical on the other, that of free and open competition.

I am firmly persuaded that all specially privileged trading institutions are, and ever have been, hurtful and destructive to public prosperity; favorable to the interests of the few, and prejudicial to the interests of the many, and that by proper investigation, this assertion might be demonstrated even in the cases where such institutions have been best regulated, and where their benefits are most generally acknowledged.

I have not paid much attention to the policy pursued by the French, in the management of their public routes; but whether from prejudice or otherwise, I have always greatly disliked the entire centralization of their system. This part of the management in France is carried to one extreme, while in Brittain it is carried too far to the other. It is needless, however, to discuss this point; I believe the French Govern-

* The conduct of the Legislature of Pensylvania in *selling the corporate and exclusive privileges* referred to, (now happily abolished through the general American union) so far as they apply to their own particular state, to the now extinct corporation of the American Bank, is contrary to every good social principle. Public rights and privileges are created and conceded for the purpose of being administered by the public, not sold to individuals.

ment is at present, or has been lately, engaged in enquiries after information, with a view of improving their system, and has extended these enquiries, both to Britain and America. The result of a similar enquiry in Britain will, I have no doubt, establish the absolute necessity of altering entirely our British system of policy in the regulation of internal intercourse.

I have in the present letter abstained from all allusion to the ruinous effects produced by the policy now discussed on the agricultural and landed interests of our country. To point out these effects might appear as if I desired to bias your opinions, by interesting your personal private feelings as a landed proprietor. The policy in question should be considered as a whole, when this is done it is time to come to details.

I must apologize for troubling with this long letter. The subject interests me much, and you invited me to write—these are my excuses.

I mean to be in London towards the end of the present month, when I shall have the pleasure of seeing you, and shall be most ready to afford every assistance in my power, towards procuring and forwarding the proposed enquiry.

I am,

W. D. GILLON, Esq.

Of Wallhouse, M.P.

London. Angleterre.

Dear Sir,

Your's, most truly,

THOMAS GRAHAME.

P.S. One effect of our British system of policy, as regards internal intercourse, I have not touched on, as it is indirect—I mean its effects on our British financial system. It is stated, that the large sums required for the formation of railways, affording, as it does, an advantageous investment for capital, draws from bankers and other depositaries, capital lying unemployed or idle—(I would call it the funds of the idle capitalists)—and turns it to the formation of public works. We are told, and it is evident that this operation keeps *down the price of the funds*, or, in other words, raises the *value of monied capital*. Allowing the truth of these allegations, they induce a serious reflection.

No one will deny, that it is the duty of Government to do all that is possible to encourage the developement, and increase the value of two divisions of British capital. First,—that represented by the *daily exer-*

tions of the agriculturalist and the manufacturer; and, second,—the *fixed property* of the country, land, buildings, and their appendages.

But it may well be denied to be a good financial policy to raise the value of the monied capital of the country. Burdened as Britain is with an enormous national debt, it would seem to be deeply the interest of the inhabitants, that monied capital should fall in value; in other words, that the rate of interest for borrowed money should be diminished. A reduction of the rate of interest affords the only rational expectation we can indulge, that Britain may be enabled, honorably, to discharge her enormous debt, and thus relieve all classes of her inhabitants of burdens, which crush them to the ground.

"Robbery," or "Swindling," as they are styled by one set of men; or, as they are named by another, "An equitable adjustment," or "A depreciation of the currency," are the only other means of relief. Both have been proposed by highly honorable men; and though rejected, it is easy to foresee circumstances when their rejection would be impossible.

For a country deeply involved in debt, not to endeavour by all legitimate means, to reduce the weight which presses on it, would appear most injudicious. The capital embarked in what are miscalled "public undertakings," is, with little exception, the property of parties, who do not by active exertion contribute to the exigencies of the country. They dare not embark this capital in business, whether agricultural manufacturing, or commercial, from the fear of personal risk and trouble; and it is the amount of this capital in the market which determines the rate of interest.* The trading corporations now in process of being created,

* What would be the effect on the rate of interest in case the measure, suggested in the first part of this letter, viz: a general advance by Government to the solvent road Trusts of all the money they hold in loan, and the removal of a large body of competing borrowers from the money market was carried into effect. The debts due by these Trusts exceed £20,000,000 sterling, and if we suppose £12,000,000 sterling of this amount to be well secured, what would be the effect of throwing back on the idle capitalists a sum of £12,000,000 sterling to seek for investiture? Certainly a great reduction in the rate of interest. It is needless to say, that the money thus advanced must be borrowed; every one knows the effect of such operations: reduce the regular rate of interest to 3 per cent. or less, and Government may then with ease convert the 5 per cent stock to 2 or 2½ per cent.

relieve the market of a large amount of this capital; indeed they appear *expressly framed to enable the idle capitalist to enjoy the same advantages as the active citizen*. If the capital in question were permitted to accumulate;—if no *artificial temptation* were held out for its investment in trading speculations, the effect would be, so to lower the rate of interest, as to permit a conversion of the British 3 per cent. stock, to 2 or $2\frac{1}{2}$ per cent. stock. Land in this neighbourhood cannot be purchased so as to give a return above 2 or $2\frac{1}{2}$ per cent.—and why should money bring more in Britain. I have used the terms “Robbery” and “Swindling,” and “Equitable adjustment,” merely because they have been used by others, not to signify my own opinion of their applicability.

Great national evils originate in the Government debt, and not among the least is the fluctuating value of that debt which exercises such immense influence on every mercantile transaction, and *excites a general spirit of gambling through the country*. But how is the evil to be got rid of? I have often thought that the country might be likened to an estate entailed by nature (the only legitimate entail), on the inhabitants or possessors for the time being. Now, whatever expediency may dictate, it may plausibly be contended, that no set of inhabitants are, in justice, bound for the debts of parties over whose conduct they had no control, who existed before they were born, and whose right in the family property was limited, by a Court above all human law, to a mere usufruct or life-rent of the family estate.

The pressure of our national debt, and the questions it excites, can only be got quit of by a removal or alleviation of the evil. The most favorable and rational mode of cure is, by a *natural reduction of interest and a fall in the value of monied capital*. To increase the value of monied capital, by giving *privileges* and *exemptions* on its investment in Joint Stock Companies, would appear to be most impolitic.

MEMORANDUM.

March 12th.

Since the foregoing letter was put in the press a notice has been placed on the journals of the House of Commons, of a motion, to be made by Mr. Gillon, on the 12th of May, next, for the appointment of a "Select Committee on the Legislative policy followed out in this country for the Regulation, Encouragement, and Extension of internal Intercourse, and the duties which affect the different channels and modes of communication."

The words of the motion would lead to the supposition, that such a "Legislative Policy" did really exist in Britain on this most important branch of internal government. But the inquiry, if fairly conducted, will show that *no such "policy" exists*, in so far as the term would infer a set of *established principles* or the *uniform* adherence to any one single acknowledged *rule of political economy*. Instead of a homogeneous system of legislation, (differing only as regards the particular parties and localities), we find each act of Parliament on the subject is different in spirit and principle from every other. In fact, the tenor and spirit of each separate act is regulated, not on principle, *but by the influence of the private parties interested in obtaining its enactment*; and by this influence, and the want of any settled system or effective check, the wisest and most salutary regulations laid down by Parliament for the encouragement of trade and commerce and the protection of individual property are set at nought.*

I need only refer to the establishment of Joint Stock Companies for the purpose of carrying on trade—a practice justly repudiated as hurtful and destructive to trade by all our most eminent senators and legislators.

Yet the grant of power to carry on trades is now embodied in all Railway Acts; and in these instances we see a total disregard and

* Decisions the very reverse of each other, and involving the most important principles, are daily given in different Committees of the House of Commons, sitting at the same time.—Is this Legislation.

setting aside of a parliamentary rule, formerly enforced for the protection of the public *against monopolies*, and the encouragement of individual exertion. By that rule parties incorporated to make canals or railways, or improve rivers, were not, under their act of incorporation, permitted to trade on these routes.

In some of the late legislative acts for incorporating Joint Stock Companies, for the promotion of internal intercourse, special authority is granted to the *managers and directors* of the new undertakings, to *buy and sell the shares* of these undertakings—a more baneful principle, or one which could be applied to worse purposes, cannot be imagined.

The power to borrow money, enjoyed by these incorporations, was formerly viewed with jealousy by the legislature, and was limited in their acts of incorporation, generally to one third of their invested capital, and this third was not to be borrowed till the whole capital subscribed was paid up and expended.

This wholesome principle is now being cut down ; and in some recent acts of incorporation, authority is granted to borrow a sum equal to one half of the subscribed capital, when only a portion of that capital has been called up and expended.

To enumerate all the recent changes would be tedious. It is sufficient to say, they are made on *no principle*, being *refused to one set of parties*, whilst they are *granted to another*. Such changes may be proper, and the new principles may be correct ; but, if so, they should be enquired into, and *made of uniform and general application*.

The legislative policy, respecting internal intercourse now in practice in Great Britain, would be a disgrace *to Spain or Portugal*.







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